



DEPARTMENT OF THE TREASURY

Internal Revenue Service
TE/GE EO Examinations
1100 Commerce Street
Dallas, TX 75424

501.03-00

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Date: May 14, 2010

Release Number **201035025**

Release Date: 9/3/10

LEGEND

ORG = Organization name

XX = Date Address = address

Person to Contact:

Identification Number:

In Reply Refer to: TE/GE Review Staff

EIN:

ORG

ADDRESS

LAST DATE FOR FILING A PETITION
WITH THE TAX COURT: August 12, 20XX

CERTIFIED MAIL – Return Receipt Requested

Dear

This is a Final Adverse Determination Letter as to your exempt status under section 501(c)(3) of the Internal Revenue Code. Your exemption from Federal income tax under section 501(c)(3) of the code is hereby revoked effective January 1, 20XX.

Our adverse determination was made for the following reasons:

Organizations described in I.R.C. § 501(c)(3) and exempt under section 501(a) must be both organized and operated exclusively for exempt purposes. You have failed to produce documents or otherwise establish that you are operated exclusively for exempt purposes and that no part of your net earnings inures to the benefit of private shareholders or individuals. You failed to respond to repeated reasonable requests to allow the Internal Revenue Service to examine your records regarding your receipts, expenditures, or activities as required by I.R.C. § 6001, 6033(a)(1) and Rev. Rul. 59-95, 1959-1 C.B. 627.

Contributions to your organization are no longer deductible under section 170 of the Internal Revenue Code.

You are required to file Federal income tax returns on Form 1120. These returns should be filed with the appropriate Service Center for the year ending December 31, 20XX and for all years thereafter.

Processing of income tax returns and assessment of any taxes due will not be delayed should a petition for declaratory judgment be filed under section 7428 of the Internal Revenue Code.

If you decide to contest this determination in court, you must initiate a suit for declaratory judgment in the United States Tax Court, the United States Claim Court or the District Court of the United States for the District of Columbia before the 91st day after the date this determination was mailed to you. Contact the clerk of the appropriate court for the rules for initiating suits for declaratory judgment.

You also have the right to contact the office of the Taxpayer Advocate. However, you should first contact the person whose name and telephone number are shown above since this person can access your tax information and can help you get answers.

You can call 1-877-777-4778 and ask for Taxpayer Advocate assistance. Or you can contact the Taxpayer Advocate from the site where the tax deficiency was determined by calling, Tel: (317) 685-7840, or write :

Taxpayer Advocate assistance cannot be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations, nor extend the time fixed by law that you have to file a petition in the United States Tax Court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling.

We will notify the appropriate State Officials of this action, as required by section 6104(c) of the Internal Revenue Code.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Douglas H. Shulman
Commissioner
By

Nanette M. Downing
Director, EO Examinations

Enclosures:

Publication 892
Publication 1546
Notice 437



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
M/S 1112, P.O. BOX 12307
OGDEN, UT 84412

Date: November 26, 2007

Taxpayer Identification number:

Form(s):

**ORG
ADDRESS**

Tax Year(s) Ended:

Person to Contact/ ID Number:

Contact Numbers:

Telephone: (801) 620-

Fax (801) 620-

Certified Mail – Return Receipt Requested

Dear

We have enclosed a copy of our report of examination explaining why we believe revocation of your exempt status under section 501(c)(3) of the Internal Revenue Code (Code) is necessary.

If you accept our findings, take no further action. We will issue a final revocation letter.

If you do not agree with our proposed revocation, you must submit to us a written request for Appeals Office consideration within 30 days from the date of this letter to protest our decision. Your protest should include a statement of the facts, the applicable law, and arguments in support of your position.

An Appeals officer will review your case. The Appeals office is independent of the Director, EO Examinations. The Appeals Office resolves most disputes informally and promptly. The enclosed Publication 3498, *The Examination Process*, and Publication 892, *Exempt Organizations Appeal Procedures for Unagreed Issues*, explain how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process.

You may also request that we refer this matter for technical advice as explained in Publication 892. If we issue a determination letter to you based on technical advice, no further administrative appeal is available to you within the IRS regarding the issue that was the subject of the technical advice.

If we do not hear from you within 30 days from the date of this letter, we will process your case based on the recommendations shown in the report of examination. If you do not protest this proposed determination within 30 days from the date of this letter, the IRS will consider it to be a failure to exhaust your available administrative remedies. Section 7428(b)(2) of the Code provides, in part: "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted its administrative remedies within the Internal Revenue Service." We will then issue a final revocation letter. We will also notify the appropriate state officials of the revocation in accordance with section 6104(c) of the Code.

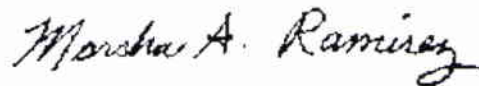
You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

Taxpayer Advocate

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink that reads "Marsha A. Ramirez". The signature is written in a cursive style with a large, stylized "M" and "R".

Marsha Ramirez
Director, EO Examinations

Enclosures:

Publication 892

Publication 3498

Report of Examination

cc:

Form 886-A (Rev. January 1994)	REPORT OF EXAMINATION		Schedule number or exhibit 0001
Name of taxpayer ORG	Tax Identification Number	Year/Period ended December 31, 20XX	

LEGEND

ORG = Organization name XX = Date POA = POA

Issue Name: Tax Exempt Status

Per Return: 990

Per Exam: December 31, 20XX

Issue:

Whether ORG qualifies for exemption under Section 501(c)(3) of the Internal Revenue Code

Facts:

ORG failed to respond to the Internal Revenue Service attempts to obtain information to perform an examination of Form 990 for the above mentioned tax period.

This case started out as a compliance check worked by the Exempt Organization Compliance Unit Tax Examiners. The tax examiner contacted the organization several times with the intent of securing the delinquent Form 990's. After the tax examiner received no response the case was turned over for examination.

This organization was contacted for examination on April 20, 20XX. Information was requested using Letter 4055 with IDR. Initial contact letter was also sent to the Power of Attorney (POA) on record, POA and POA.

On June 7, 20XX a reply had not been received so the 15 day letter was sent certified with a response due date of June 21, 20XX. Certified letter was also sent to the POA on record. TCO received the signed certification card back on June 20, 20XX.

On August 14, 20XX TCO spoke to POA POA. He has had some problems getting the information together and believes that the organization is terminated. He will get the information together and send it in with a dissolution statement within 10 days.

TCO spoke to POA on August 27, 20XX. Information has not been received. Form 990's should be ready to send on August 30, 20XX.

TCO attempted to contact POA on October 3, 20XX. Information has not been received. POA was not available; TCO requested a call back by October 5, 20XX.

As of November 20, 20XX a reply from the organization has not been received.

Because the organization has not cooperated with TCO attempts to secure information for the exam, revocation is being proposed. No mail has been returned undeliverable. Return receipt was received

Form 886-A (Rev. January 1994)	REPORT OF EXAMINATION		Schedule number or exhibit 0001
Name of taxpayer ORG	Tax Identification Number	Year/Period ended December 31, 20XX	

and TCO has spoken to the organization's representative, which is evidence that they are receiving correspondence.

Law:

Section 6033(a)(1) of the Code provides, except as provided in section 6033(a)(2), every organization exempt from tax under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts and disbursements, and such other information for the purposes of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

Section 1.6033-2(i)(2) of the regulations provides that every organization which is exempt from tax, whether or not it is required to file an annual information return, shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status and administering the provisions of subchapter F (section 501 and following), chapter 1 of subtitle A of the Code, section 6033, and chapter 42 of subtitle D of the Code. See section 6001 and §1.6001-1 with respect to the authority of the district directors or directors of service centers to require such additional information and with respect to the books of accounts or records to be kept by such organizations.

Section 6001 of the Code provides that every person liable for any tax imposed by the Code, or for the collection thereof, shall keep adequate records as the Secretary of the Treasury or his delegate may from time to time prescribe.

Section 1.6001-1(e) of the regulations states that the books or records required by this section shall be kept at all time available for inspection by authorized internal revenue officers or employees, and shall be retained as long as the contents thereof may be material in the administration of any internal revenue law.

Rev. Rul. 59-95, 1959-1 C.B. 627, concerns an exempt organization that was requested to produce a financial statement and statement of its operations for a certain year. However, its records were so incomplete that the organization was unable to furnish such statements. The Service held that the failure or inability to file the required information return or otherwise to comply with the provisions of section 6033 of the Code and the regulations which implement it, may result in the termination of the exempt status of an organization previously held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of exempt status.

In accordance with the above-cited provisions of the Code and regulations under sections 6001 and 6033, organizations recognized as exempt from federal income tax must meet certain reporting requirements. These requirements relate to the filing of a complete and accurate annual information (and other required federal tax forms) and the retention of records sufficient to determine whether

Form 886-A (Rev. January 1994)	REPORT OF EXAMINATION		Schedule number or exhibit 0001
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such entity is operated for the purposes for which it was granted tax-exempt status and to determine its liability for any unrelated business income tax.

Conclusion:

It is the IRS's position that the organization failed to meet the requirements under sections 6001 and 6033 to be recognized as exempt from federal income tax under 501(c)(3) of the Internal Revenue Code. Accordingly, the organization's exempt status is revoked effective January 1, 20XX.

Form 1120 returns should be filed for the tax periods after January 1, 20XX.